

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

Arthrex, Inc.,	§	
	§	
<i>Plaintiff and</i>	§	
<i>Counterclaim-Defendant.</i>	§	
v.	§	CIVIL ACTION NO. 2:15-CV-1047-RSP
	§	
Smith & Nephew, Inc., and	§	
ArthroCare Corp.,	§	
	§	
<i>Defendants and</i>	§	
<i>Counterclaim-Plaintiffs.</i>	§	

Arthrex, Inc.,	§	
	§	
<i>Plaintiff and</i>	§	
<i>Counterclaim-Defendant.</i>	§	
v.	§	CIVIL ACTION NO. 2:15-CV-1756-RSP
	§	
Smith & Nephew, Inc., and	§	
ArthroCare Corp.,	§	
	§	
<i>Defendants and</i>	§	
<i>Counterclaim-Plaintiffs.</i>	§	

ORDER FOCUSING PATENT CLAIMS AND PRIOR ART TO REDUCE COSTS

In view of the parties' agreement, the Court ORDERS as follows:

1. This Order supplements all other discovery rules and orders. It streamlines the issues in this case to promote a "just, speedy, and inexpensive determination" of this action, as provided by Federal Rule of Civil Procedure 1.

Phased Limits on Asserted Claims and Prior Art References

2. By the date set for completion of claim construction discovery pursuant to P.R. 4-4, the patent claimant shall serve a Preliminary Election of Asserted Claims, as follows:

- For the patents asserted in Civil Action No. 2:15-CV-1047, Arthrex's Preliminary Election of Asserted Claims against Smith & Nephew and ArthroCare shall assert no more than twenty claims from each patent and not more than a total of 60 claims; and
- For the patent asserted in Civil Action No. 2:15-CV-1047, ArthroCare's Preliminary Election of Asserted Claims shall assert no more than fifteen claims from each patent and not more than a total of 32 claims.
- For the patent asserted in Civil Action No. 2:15-CV-01756, Arthrex's Preliminary Election of Asserted Claims against Smith & Nephew and ArthroCare shall assert no more than fifteen claims from each patent and not more than a total of 32 claims.

Not later than 14 days after service of the Preliminary Election of Asserted Claims, the patent defendant shall serve a Preliminary Election of Asserted Prior Art, as follows:

- For the patent asserted in Civil Action No. 2:15-CV-1047, Arthrex's Preliminary Election of Asserted Prior Art shall assert no more than eighteen prior art references against each patent and not more than a total of 40 references;¹ and
- For the patents asserted in Civil Action No. 2:15-CV-1047, Smith & Nephew and ArthroCare's Preliminary Election of Asserted Prior Art shall assert no more than twenty-four prior art references against each patent and not more than a total of 75 references.
- For the patent asserted in Civil Action No. 2:15-CV-01756, Smith & Nephew and ArthroCare's Preliminary Election of Asserted Prior Art shall assert no more than eighteen prior art references against each patent and not more than a total of 40 references.

3. Provided that the *Markman* order has issued, then by the later of either 28 days before the service of expert reports by the party with the burden of proof on an issue or 21 days after the date the *Markman* order issued, the patent claimant shall serve a Final Election of Asserted Claims, as follows:

- For the patents asserted in Civil Action No. 2:15-CV-1047, Arthrex's Final Election of Asserted Claims against Smith & Nephew and ArthroCare shall identify no more than ten asserted claims per patent from among the twenty previously identified claims and no more than a total of 36 claims; and

¹ For purposes of this Order, a prior art instrumentality (such as a device or process) and associated references that describe that instrumentality shall count as one reference, as shall the closely related work of a single prior artist.

- For the patent asserted in Civil Action No. 2:15-CV-1047, ArthroCare's Final Election of Asserted Claims shall identify no more than eight asserted claims per patent from among the fifteen previously identified claims and no more than a total of 16 claims.
- For the patent asserted in Civil Action No. 2:15-CV-01756, Arthrex's Preliminary Election of Asserted Claims against Smith & Nephew and ArthroCare shall assert no more than eight asserted claims per patent from among the fifteen previously identified claims and no more than a total of 16 claims.

By the date set for the service of expert reports by the party with the burden of proof on an issue, the patent defendant shall serve a Final Election of Asserted Prior Art, as follows:

- For the patent asserted in Civil Action No. 2:15-CV-1047, Arthrex's Final Election of Asserted Prior Art shall identify no more than nine asserted prior art references per patent from among the eighteen prior art references previously identified for that particular patent and no more than a total of 20 references; and
- For the patents asserted in Civil Action No. 2:15-CV-1047, Smith & Nephew and ArthroCare's Final Election of Prior Art shall identify no more than twelve asserted prior art references per patent from among the twenty-four prior art references previously identified for that particular patent and no more than a total of 45 references.
- For the patent asserted in Civil Action No. 2:15-CV-01756, Smith & Nephew and ArthroCare's Final Election of Asserted Prior Art shall identify no more than nine asserted prior art references per patent from among the eighteen prior art references previously identified for that particular patent and no more than a total of 20 references.

For purposes of this Final Election of Asserted Prior Art, each obviousness combination counts as a separate prior art reference.

Modification of this Order

4. Subject to Court approval, the parties may modify this Order by agreement, but should endeavor to limit the asserted claims and prior art references to the greatest extent possible. Absent agreement, post-entry motions to modify this Order's numerical limits on asserted claims

and prior art references must demonstrate good cause warranting the modification. Motions to modify other portions of this Order are committed to the sound discretion of the Court.²

SIGNED this 1st day of February, 2016.



ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE

² This Order contemplates that the parties and the Court may further narrow the issues during pretrial proceedings in order to present a manageable case at trial.